



Rhode Island Child Care Stabilization Fund

Webinar: Spending Guidance

Family Child Care Providers

April 2021

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Webinar Objectives

During this session, we will:

- Walk you through a strategy for planning how to spend your grant
- Support you as you consider different ways to use your grant
- Provide business development resources that can be referenced to strengthen your business



Introduction to the Strategy

The money awarded to your business is intended to help your business recover from challenges brought on by COVID-19 and improve your business's sustainability for the long term.

DHS recommends a three-step strategy to support the intentional spending of grant funding:



Step 1: Self-Assessment

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How can you take an assessment of your business to determine your spending needs?

Assess the needs of the families and the community you serve.

Conduct a survey of your families' needs



Talk to families



Refer to feedback you have received from previous unannounced monitoring visits



Community Needs

Some examples of family or community needs may include:

Needs:

More affordable tuition rates

Part time or flexible scheduling

Modified operating hours

Assurance of health & safety compliance



Potential Solutions:

- Temporarily lowering/adjusting tuition
- Offering scholarships

Assess if your program can offer part-time or flexible scheduling unique to the family

Assess if families you serve may benefit from adjusted operating hours to open earlier, stay open later, or adjust days you offer care

Explore investing in professional cleaning services to encourage a clean and safe environment

Step 1: Self-Assessment

How can you take an assessment of your business to determine your spending needs?

Assess the needs of your program.

**Is my program
maintaining health &
safety requirements?**

**How can I increase the
quality of my program?**

You can use the following resources when planning to make updates and changes to your physical space:

- Family Child Care Space Checklist (RI LISC)
- Family Child Care Environment Rating Scale (FCCERS)

Step 1: Self-Assessment

How can you take an assessment of your business to determine the spending or investing needs?

Assess the needs of your staff.

Fair, Competitive, and Consistent Compensation

RI Kids Count Median Minimum Hourly Wage for Assistants resource:

<http://rikidscount.org/Portals/0/Uploads/Documents/Fact%20Sheets/11.20%20Family%20Child%20Care.pdf?ver=2020-11-17-113038-797>

Improving the Compensation and Retention of Effective Infant/Toddler Educators in Rhode Island resource at:

http://rikidscount.org/Portals/0/FINAL%20InfantToddlerComp%2020%20page_web.pdf?ver=2019-12-06-163316-177

Business Tool Kit at <http://kids.ri.gov/funding-opportunities.php>

This tool kit has resources that will help you create and look at your budget in a whole new way!



Step 1: Self-Assessment

Guiding Questions

**What does my program need? What do the families I serve need?
How can my business meet those needs?**





Step 2: Plan for Meaningful and Lasting Investments to Improve Quality

Step 2: Plan for Meaningful and Lasting Investments to Improve Quality

It's important to recognize that these grant funds provide a one-time payment into your business and are not a consistent form of income that you can count on for a regular basis. This means you need to take extra time to make sure you are spending funds in a thoughtful way that will improve your business moving forward.



Self-Assessment



**Plan for Meaningful and
Lasting Investments to
Improve Quality**

Step 2: Plan for Meaningful and Lasting Investments to Improve Quality

This is Alba.

She is a newly licensed family child care provider who has been providing care to children in Providence out of her home for a little over a year. Alba has wanted to take down a wall to create a more open space for a while but hasn't had the money to do it. She decided to use her grant funds to do some construction.

When they began demolishing the wall, they found asbestos. Now, Alba has to pay for asbestos removal. All of her grant money was already used for construction and material costs. Now, she has to take out a loan to finish the job and she is in a worse financial space than she was before receiving the grant.



Step 2: Plan for Meaningful and Lasting Investments to Improve Quality



This is Maria.

She is a licensed family child care provider who has been providing care to children in Cranston for over 20 years. She recently received grant money from DHS and decided to save half of it in her Emergency Fund.

She used her budget and her business plan to use half of the grant, which she split between her business priorities: health and safety, and quality. She was able to:

- Build a new fence to create an outside play area; and
- Purchase the curriculum she has wanted

Step 2: Plan for Meaningful and Lasting Investments to Improve Quality



How do I determine the right, long-lasting investments for my program?

- What does my program need now?
- What do I want for my program later
- How much do I have saved for my program in the event of an emergency?



Step 2: Plan for Meaningful and Lasting Investments to Improve Quality

What are some examples of lasting investments that improve quality?

One-Time Investments

- Single-use cleaning supplies
- Easily-damaged toys
- Meals, snacks, etc.
- Toileting/diapering materials

Lasting Investments

- Professional cleaning services
- Fence repair or build to contain safe outdoor play space for children
- Egress or direct access to outdoors (particularly for providers operating below-grade)
- Outdoor play space improvements play equipment, mulch etc.
- General safety items-cabinet locks, outlet covers, baby gates etc.
- Organization items to provide easy access to items you need (i.e, file folders, small file cabinet, etc.)
- Online communication app to use with families to communicate developmental milestones
- New early childhood curriculum
- Toys and materials that can be used safely by multiple age groups

Step 2: Plan for Meaningful and Lasting Investments to Improve Quality

As a business owner, you must have a plan for the spending and saving of your monies. This includes the profit you make from tuition and any other money you receive through grants.

A plan for spending your grant money should include these key steps:



Resources are available at <http://kids.ri.gov/funding-opportunities.php>

Step 2: Plan for Meaningful and Lasting Investments to Improve Quality



Step 3: Executing the Plan

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Recordkeeping: If it's not written down, it didn't happen.



Create a recordkeeping system that works for you; the best system is one that you are able to do consistently. This can be an online system or physical, paper files.



Keep records of spending receipts, invoices, documentation of payroll, etc.



At least monthly, review your expense receipts so that you will know how much you have spent and how it compares to what you planned to spend.

Step 3: Executing the Plan

Maintaining your budget.

- Review your expenses and income monthly.
- Compare to your budget to see if you are within your plan.
- If needed, adjust your future budget to align with your spending.
- **Goal:** your expenses should be less than your revenue.

This budget template is available in the Business Resources Toolkit online at: <http://kids.ri.gov/funding-opportunities.php>

Sample Family Child Care Program				
Income Statement				
For the Period Ended May 31, 2016				
REVENUE		as of 5/31/16	as of 5/31/15	
	Tuition/Parent Fees			
	Child Care Subsidies			
	Child and Adult Care Food Program			
	Registration Fees			
	Late Pick-up Fees			
	Operating Grants			
	Fund Raising			
	Other Income			
TOTAL REVENUE		\$0	\$0	
EXPENSE				
	Personnel Expense			
	Salaries & Wages			
	Payroll Taxes			
	Employee Benefits			
	Total Personnel Expense	\$0	\$0	
	Program Expense			
	Occupancy (Mortgage/Lease/Rent)			
	Facility Repairs & Maintenance			
	Food			
	Other Consumables			
	Program Supplies			
	Educational Supplies			
	Medical Supplies			
	Accounting/Bookkeeping Fees			

Step 3: Executing the Plan

Check your timeline.

Example:

- You first plan to spend \$500/month on mortgage costs.
- Then the water heater goes out.
- You decide to use \$1000 for the water heater cost and adjust your timeline to spend \$500/month on mortgage payments for 4 months.



Business Resources Toolkit

Located online in English and Spanish at: <http://kids.ri.gov/funding-opportunities.php>



Child Care Provider Business Resources

This resource guide contains free online business resources developed specifically for Family Child Care Home providers.

These resources may be referenced to strengthen business practices and create stronger, more sustainable small businesses.



Family Child Care Home Providers

- **Where can I find a good budget template?**

The Wisconsin Quality Rating and Improvement System (QRIS, called YoungStar) provides budget and expense tracking samples and templates in **English** and **Spanish**:

<https://dcf.wisconsin.gov/youngstar/providers/budget>

Begin by reviewing their FAQ here: <https://dcf.wisconsin.gov/files/youngstar/pdf/budget/budget-instructions-fcc.pdf>

Then review the forms for *Estimating Expenses*, *Creating a Budget for Family Child Care*, *Line Items Budget Break out*, *Comparing Estimated Expenses to Actual Expenses*, the *Actual Expenses worksheet*, and *Keeping Track of Hours Worked* in your home business.

Find a sample balance sheet here: <https://app.box.com/s/xm3syide47cpk5r68o9d1rqfkgkxsw> to better understand the various considerations you should account for when balancing your budget.

- **Where can I find information related to taxes and my child care business?**

Tom Copeland's blog *Taking Care of Business* focuses on Family Child Care Homes (with resources in **English** and **Spanish**). Start here to find tax related forms for your child care business: <http://tomcopelandblog.com/irs-tax-formstax-changes>

You may also be interested in reading his blog posts: [2020 Tax Changes Affecting Family Child Care Providers](#) or [What Are the Tax Consequences of a State Grant?](#)

Comprehensive tax information for small business owners, like Family Child Care Home providers, may be found: <https://www.irs.gov/businesses/small-businesses-self-employed>

The IRS also developed a webinar series called "Small Business Tax Workshop": <https://www.irs.gov/Business/SBTW>

- **I know recordkeeping is an important business practice; where can I learn more about recordkeeping?**

Start here on Tom Copeland's blog: <http://tomcopelandblog.com/top-articles-on-record-keeping>

The IRS answers questions like "[What kinds of records should I keep?](#)", "[How long should I keep records?](#)", and "[What is the burden of proof?](#)" on their website: <https://www.irs.gov/businesses/small-businesses-self-employed/recordkeeping>

Updated [04/1/2021](#)

The U.S. Small Business Administration's "Recordkeeping for a Small Business" Participant Guide allows you to take a self-assessment on your knowledge of recordkeeping and provides strategies for improving recordkeeping practices:

https://www.sba.gov/sites/default/files/files/PARTICIPANT_GUIDE_RECORD_KEEPIING.pdf

On the *Child Care Aware of North Dakota* website, there is a downloadable form to document home inventory, along with checklists for recordkeeping basics and tips for success. These forms are found under the heading "Taxes and Record Keeping" here:

<https://ndchildcare.org/providers/business/>

- **What other resources might be helpful in enhancing my business practices or managing my business?**

From the *Administration for Children and Families*, this comprehensive handbook outlines essential business practices and resources for Family Child Care Homes related to: creating a business plan, budgeting and funding sources, filing taxes, marketing to extend your program's reach, and creating emergency plans:

https://childcareta.acf.hhs.gov/sites/default/files/public/rq2e_startingandoperatingachildcarebusiness.pdf

[Early Childhood Investigations](#) offers free webinars for early childhood providers covering a broad range of topics including *Business 101*, *Risk Management*, and *Shared Services*. Access the website here: <https://www.earlychildhoodwebinars.com>

The U.S. Small Business Administration clearly outlines ways to manage your business on this webpage: <https://www.sba.gov/business-guide/manage-your-business/manage-your-finances>. Topics include: *Manage your finances*, *Buy assets and equipment*, and *Prepare for emergencies*. You can also reach the SBA Answer Desk at Small Business Administration Answer Desk: 800-827-5722 and email: answerdesk@sba.gov

First Children's Finance is a comprehensive website containing downloadable templates and guidance on budgeting, contracts and policies, record keeping and taxes, and legal and insurance. Access the website here: <http://www.firstchildrensfinance.org/businessresourcecenter/family-2/>

Child Care Aware has a Family Child Care program resource guide which includes sections such as "Prepare a Budget" and "Develop Policies and Procedures" to help you in developing or evaluating your business practices: <https://www.childcareaware.org/wp-content/uploads/2018/11/FCC-Resources.pdf>

Examples in Action

Example: Hire Professional Cleaning Services

1

Self-Assessment:

Consider families' needs related to health and safety

2

Plan for Meaningful and Lasting Investments to Improve Quality

Adjusts budget based on cost of cleaners

3

Execute the Plan:

Signs in a contract with the cleaner; updates families

Example: Needed Repairs

1

Self-Assessment:

Review health and safety feedback from unannounced licensing monitoring visit

2

Plan for Meaningful and Lasting Investments to Improve Quality

Get estimate, decide when to spend funds

3

Execute the Plan:

Complete project, save invoices

Example: Quality Improvements

1

Self-Assessment:

Review family needs, review feedback from licensing monitoring visit

2

Plan for Meaningful and Lasting Investments to Improve Quality

Calculate cost for assistant coverage for the day

3

Execute the Plan:

Schedule assistant, contact BrightStars, adjust budget for payroll increase

Example: Mortgage Payment

1

Self-Assessment:

Review current
finances to identify
need

2

Plan for Meaningful and Lasting Investments to Improve Quality

Schedule out payments
across longer period of time

3

Execute the Plan:

Adjust budget and
make payments

Three Step Strategy

- **Step 1: Self-Assessment-** What does my program need? What do the families I serve need? How can my business meet those needs?
- **Step 2: Plan for Meaningful and Lasting Investments to Improve Quality:** Now that I know what my program and families need, how will I plan to spend my grant?
- **Step 3: Execute the Plan**



Next Steps



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Available Resources



Resources are available in English and Spanish at: <http://kids.ri.gov/funding-opportunities.php>

- If you need assistance or guidance creating a budget or supporting business practices, check out First Children's Finance, a comprehensive website containing downloadable templates and guidance on budgeting, contracts and policies, record keeping and taxes, and legal and insurance. Access the website here:
<http://www.firstchildrensfinance.org/businessresourcecenter/family-2/>
- Look out for the SEIU Education Support Fund monthly newsletters including their latest training and professional development offerings or ESF, who offers a series of beginner-level business courses including courses like: "I am an Entrepreneur," "Business Training," and "Brand Building Blocks") for Family Child Care providers.
- The Center for Early Learning Professionals will provide immediate support to center based and family child care administrators through small group technical assistance that focuses on business practices related to managing grant funding, including: defining goals, budgeting and record keeping. If you are interested in small group technical assistance, please contact sterreault@edc.org. The Center also offers a three part Business Practices series for Early Childhood Program and Family Child Care administrators which takes a deeper dive into topics related to managing a business. Watch your email and the CELP website for dates and times.

Thank you!

If you have questions or feedback
regarding the webinar or the
application process, please reach out
at ChildCareGrants@pcgus.com

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